



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

June 29, 2006

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENTS TO ELEVEN NON-COUNTY TRAUMA CENTER SERVICE
AGREEMENTS, MEMORANDA OF UNDERSTANDING
WITH TWO COUNTY TRAUMA CENTERS, AND
AN APPROPRIATION ADJUSTMENT
(All Districts) (3 Votes)**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of Health Services, or his designee, to offer and execute extension amendments to the existing Trauma Center Service Agreements with the 13 designated trauma hospitals identified in Attachment B, upon prior review and approval by County Counsel, to extend the term of the Agreements, on a month-to-month basis retroactive to July 1, 2006, with substantially similar terms, with the exception of any payment provisions by the County to the hospitals during this extension period, up to a maximum term of seven months through January 31, 2007, with a signing deadline of July 30, 2006 for each hospital.
2. Delegate authority to the Director of Health Services, or his designee, to offer and execute agreement amendments to the existing Trauma Center Service Agreements with the 13 designated trauma hospitals identified in Attachment B, upon prior review and approval by County Counsel, for the distribution of the Los Angeles County portion of the State Trauma Care Fund (AB 131) for Fiscal Year (FY) 2005-06, in the amount of \$2,194,423.
3. Approve up to an additional \$2.5 million in "Measure B" Trauma property Assessment (TPA) funding for California Hospital Medical Center (CAL) to be used as an intergovernmental transfer (IGT) for payment to the State to draw down the IGT and matching Medi-Cal Federal Financial Participation (FFP) and provide full reimbursement from the State to CAL for all trauma care provided in FY 2005-06.
4. Delegate authority to the Director of Health Services, or his designee, to offer and execute an agreement amendment with CAL to reflect the IGT of up to \$2.5 million to be paid by the County to the State with payment of FFP to CAL for FY 2005-06, for trauma care.

313 N. Figueroa Street
Los Angeles, CA 90012

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5. Approve an appropriation adjustment (Attachment C) to reallocate \$2.5 million in "Measure B" TPA funds from Services and Supplies (S&S) and Other Financing Uses (OFU) to Other Charges in the FY 2005-06 TPA "Measure B" Final Budget.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Approval of Recommendation No. 1 will enable DHS to extend and maintain the current Trauma Center Service Agreements with 13 trauma hospitals. This extension does not include any payment provisions, but is needed to enable the trauma hospitals to maintain their trauma center designation as required under State law, and continue to operate as trauma centers during this month-to-month extension period. In addition, this extension will enable DHS to complete negotiations with the 11 non-County trauma hospitals for the replacement Agreement for FY 2006-07 which will have payment rates retroactive to July 1, 2006.

Approval of Recommendation No. 2 will enable DHS to receive and allocate under the Trauma Center Service Agreements with 13 trauma hospitals the FY 2005-06 State Trauma Care Funds in the amount of \$2,194,423.

Approval of Recommendations Nos. 3 and 4 will enable the County to transfer Measure B TPA funds to the State in accordance with the Medi-Cal State Plan Amendment, to enable the State to draw-down federal matching funds to maximize reimbursement to CAL to help ensure continued access by Medi-Cal beneficiaries to trauma and emergency care.

Approval of Recommendation No. 5 will authorize an appropriation transfer in the amount of \$2.5 million within the FY 2005-06 TPA "Measure B" Final Budget to enable the County to process an IGT to the State so that FFP can be obtained, and with payment made directly to CAL by the State for trauma care services.

FISCAL IMPACT/FINANCING:

Trauma Center Service Agreement Amendments

There are no payment provisions for the month-to-month extensions of the Trauma Center Service Agreements effective July 1, 2006, for a period not to exceed seven months through January 31, 2007, with the 11 non-County trauma hospitals. The Department is currently in negotiations with the non-County hospitals and will establish payment rates retroactive to July 1, 2006 to be included in a replacement Agreement and brought forward to the Board for approval.

The State will provide funding in the amount of \$2,194,423 under Standard Agreement No. EMS-5067, comprised of \$2,172,479 to be distributed to 13 trauma hospitals in Los Angeles County for trauma care, based on criteria established in the Standard Agreement, and \$21,944 for administrative costs associated with the distribution of the State Trauma Care Funds by DHS Emergency Medical Services (EMS) Agency. There are no additional net County costs required to execute the Trauma Center Service Agreement and MOU amendments for distribution of the State Trauma Care Funds for FY 2005-06.

California Hospital Medical Center

The appropriation adjustment to reallocate \$2.5 million from S&S and OFU to Other Charges in the FY 2005-06 TPA "Measure B" Final Budget is necessary to enable these funds to be used as an IGT to draw-down Medi-Cal FFP. There are sufficient surpluses in the TPA Public Health and Trauma Access Increase S&S and OFU budgets to enable reallocation of the \$2.5 million to Other Charges. This appropriation adjustment will enable DHS to process an IGT of up to \$2.5 million to the State so that Medi-Cal FFP can be obtained, and the State will make payment of up to \$5.0 million directly to CAL.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

State Trauma Care Funds

On December 20, 2005, the Board approved Standard Agreement No. EMS-5067 with the State EMS Authority to accept State Trauma Care Funds in the amount of \$2,194,423 for FY 2005-06.

State Assembly Bill 131 (Budget Act 2005: omnibus health trailer bill) modified the State Trauma Care funding process for FY 2005-06. The revised funding process eliminates the minimum hospital allocation and reserve fund, requires that local EMS agencies must use a competitive grant-based system for distribution of the funds, and modifies the funding focus. Among other things, AB 131's language requires that the grant proposal shall demonstrate that funding is needed because the trauma center cares for a high percentage of uninsured patients, and that it shall not be used to supplant existing funds. Based upon additional language, a negotiation committee decided that the funds would be utilized to preserve or restore specialty physician and surgeon on-call coverage essential for trauma services. Acceptance of these State funds will allow DHS to distribute the funds to designated trauma centers based upon the costs to maintain the required trauma call panels set forth in the Trauma Center Service Agreement, the level of designation, the ability to provide pediatric trauma services, in accordance with State law. The Department seeks delegated authority to accordingly distribute funding under AB 131 to the qualified trauma hospitals in Los Angeles County.

Trauma Center Service Agreement Amendments

On June 24, 2003, the Board approved a Trauma Center Service Agreement with ten non-County trauma hospitals for FYs 2003-04 and 2004-05 to ensure the continued provision of trauma services in Los Angeles County. On November 16, 2004, the Board approved a Trauma Center Service Agreement with CAL effective December 1, 2004 through June 30, 2005.

Through subsequent amendments, and most recently on January 17, 2006, the Board approved Amendment No. 3 to the Agreement with CAL and Amendment No. 5 with the remaining ten non-County trauma centers to extend the term effective from April 1, 2006 through June 30, 2006. DHS and the 11 non-County trauma hospitals are currently in negotiations to establish a replacement Trauma Center Service agreement, to be effective with FY 2006-07.

The two county-operated trauma centers (LAC+USC and Harbor-UCLA Medical Centers) also operate under the same programmatic terms of the standard agreement as a Memorandum of Understanding

(MOU), as required by State trauma regulations. The two County-operated trauma centers will sign MOU amendments for the distribution of the FY 2005-06 State Trauma Care Funds, and for the month-to-month extension of the MOU effective July 1, 2006, up to a maximum term of seven months through January 31, 2007.

Distribution of the State Trauma Care funds to each of the 13 trauma hospitals in Los Angeles County will be made in accordance with the terms set forth in the Standard Agreement No. EMS-5067.

California Hospital Medical Center

The Trauma Center Services Agreement with CAL approved by the Board on November 16, 2004, and subsequent amendments most recently approved by the Board on January 17, 2006, include a provision for the Department to return to the Board to request additional funding if the amount of reimbursement for trauma care exceeds the contract maximum obligation. To date, the Board has authorized total maximum obligations in TPA funding to CAL of \$2.7 million for claims-based reimbursement and approximately \$1.1 million for IGT to draw-down Medi-Cal FFP for trauma services provided in FY 2005-06.

Based on the most recent projected trauma patient volume, up to an additional \$5.0 million may be needed to enable full reimbursement to CAL for all trauma services provided in FY 2005-06 at rates previously approved by the Board. To minimize the amount of County funding needed, up to \$2.5 million in TPA funding will be used as an IGT to enable the State to obtain an additional \$2.5 million in Medi-Cal FFP for the State's Medi-Cal program to enhance Medi-Cal access to trauma and emergency care.

County Counsel will approve the Trauma Center Service Amendments with the 13 trauma hospitals for the allocation of AB 131 funds, month-to-month term extension effective July 1, 2006 up to a maximum term of seven months through January 31, 2007, and additional funding to CAL, as to use and form prior to execution by the parties.

Attachments A and B provide additional information. Attachment C is the appropriation adjustment.

CONTRACTING PROCESS:

It is not appropriate to advertise the Trauma Center Service Amendments on the Office of Small Business Countywide web site.

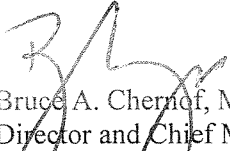
IMPACT ON CURRENT SERVICES:

The Trauma Center Service Agreement and MOU Amendments with the 13 trauma centers, increased Measure B TPA funding, and approval of the appropriation adjustment will help to ensure continuation of trauma care services in Los Angeles County.

The Honorable Board of Supervisors
June 29, 2006
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When approved, this Department requires four signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, MD
Director and Chief Medical Officer

BAC:cm:po
K:\CGDATA\WPBLET\TRAUMA AMEND NO.6-C-062106.rtf

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

SUMMARY OF AGREEMENT

I. TYPE OF SERVICE:

Trauma services at thirteen trauma centers in Los Angeles County.

II. CONTACT PERSONS:

State Emergency Medical Services Authority
1930 9th Street, Suite 100
Sacramento, California 95814
Attention: Carol MacRae, Contracts Manager
Telephone Number: (916) 322-3448

Department of Health Services
Emergency Medical Services Agency
5555 Ferguson Drive, Suite #220
Commerce, California 90022
Attention: Carol S. Meyer, Director
Telephone Number: (323) 890-7545

III. HOSPITALS:

See Attachment B.

IV. TERM OF AGREEMENT:

The eleven non-County trauma center agreements, and two County trauma center MOUs, are scheduled to expire on June 30, 2006. The form amendments extend the agreements and MOUs on a month-to-month basis effective July 1, 2006, up to a maximum term of seven months to January 31, 2007.

V. FINANCIAL INFORMATION:

The State will provide funding in the amount of \$2,194,423.00 under Standard Agreement No. EMS-5067 to be used to reimburse trauma centers for the costs to maintain: (1) the required trauma call panels stipulated in the Trauma Center Service Agreement, (2) level of designation, (3) ability to provide pediatric trauma services, and (4) trauma patient volume. There are no additional net County costs required to execute the Trauma Center Service amendments and MOUs for distribution of the State Trauma Care Funds for FY 2005-06.

The maximum obligations, for the month-to-month extensions of the Trauma Center Service Agreements effective July 1, 2006, up to a maximum term of seven months to January 31, 2007, with the 11 non-County trauma hospitals, will be determined when negotiations to establish a replacement Agreement are completed. There is no funding attached to the amendments for month-to-month extensions of the Trauma Center Service Agreements.

volume. There are no additional net County costs required to execute the Trauma Center Service amendments and MOUs for distribution of the State Trauma Care Funds for FY 2005-06.

The appropriation adjustment in the amount of \$2.5 million is necessary to reallocate \$2.5 million in "Measure B" TPA funds from the Services and Supplies and Other Financing Uses to Other Charges in the FY 2005-06 TPA "Measure B" Final Budget. This appropriation adjustment will enable DHS to transfer the funding to the State so that federal matching dollars can be obtained, and payment will be made directly to California Hospital Medical Center by the State.

VI. GEOGRAPHIC AREA SERVED:

Countywide.

VII. ACCOUNTABLE FOR PROGRAM MONITORING:

Local EMS Agency.

VIII. APPROVALS:

Local EMS Agency:	Carol S. Meyer, Director
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to use and form):	Edward A. Morrissey, Deputy County Counsel

DESIGNATED TRAUMA CENTERS

<u>TRAUMA CENTER</u>	<u>AGREEMENT NO.</u>
California Hospital Medical Center	H-700741
Cedars-Sinai Medical Center	H-300384
Childrens Hospital Los Angeles	H-300379
Henry Mayo Newhall Memorial Hospital	H-300381
Huntington Memorial Hospital	H-300378
Long Beach Memorial Medical Center	H-300385
Northridge Hospital Medical Center	H-300383
Providence Holy Cross Medical Center	H-300380
St. Francis Medical Center	H-300376
St. Mary Medical Center	H-300506
UCLA Medical Center	H-300382

COUNTY TRAUMA HOSPITALS

Harbor/UCLA Medical Center	H-300386 (MOU)
LAC+USC Medical Center	H-300377 (MOU)

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health ServicesDATE 06/21/2006

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

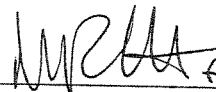
Budget Adjustment
Fiscal Year 2005-06
(3-VOTE)

Please see attached for details.

JUSTIFICATION:

The appropriation adjustment in the amount of \$2,500,000 is necessary to reallocate Fiscal Year 2005-06 Measure B - Trauma Property Assessment funds from Services & Supplies (\$2,150,000) and Other Financing Uses (\$350,000) to Other Charges to increase the funding for California Hospital Medical Center to be used for an intergovernmental transfer for trauma care provided in FY 2005-06.

EM:bsr
06/21/06

 for EM

Efrain Muñoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:

☐ ACTION
☒ RECOMMENDATION

AUDITOR-CONTROLLER No.

419


BY:



06-23-06

APPROVED AS REQUESTED ☐ AS REVISED ☐

6/23/06


CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

BY:

DEPUTY COUNTY CLERK

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2005-06

(3-VOTE)

SOURCES:

Public Health Services

Salaries & Employee Benefits

A01-HS-23450-1000 \$ 135,000

Public Health Services

Services and Supplies

A01-HS-23450-2000 215,000

Measure B Special Tax Fund

Operating Transfer Out

BW9-HS-41017-6100 350,000

Measure B Special Tax Fund

Services and Supplies

BW9-HS-41017-2000 2,150,000

Total \$ 2,850,000

USES:

Public Health Services

Revenue - Operating Transfer In

A01-HS-23450-9911 \$ 350,000

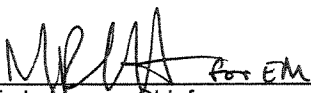
Measure B Special Tax Fund

Other Charges

BW9-HS-41017-5500 2,500,000

Total \$ 2,850,000

NOTED AND APPROVED



Efrain Munoz, Chief
DHS-Controller's Division

BA 419
EM